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Tour victory has cyclists all geared up

Boston Herald - Boston, Mass.
Author: Jose Martinez
Date: Aug 5, 1999
Start Page: 027
Section: NEWS
Text Word Count: 776

Document Text

Within days of Lance Armstrong's becoming only the second American ever to win the Tour de France, Ed Sassler saw the cancer surviving cyclist's influence on the customers who filed into Belmont Wheelworks.

The day after Armstrong completed the 20-stage, 2,300-mile race across France, Sassler's first four customers all wanted the same thing: a U.S. Postal Service team jersey just like Armstrong's.

"A little excitement goes a long way in retail," Sassler said.

Other customers telephoned or stopped by to inquire about the red, white and blue carbon fiber racing frames made for Armstrong's team by Trek. Wheelworks has one of the $3,600 bikes hanging above the cash register.

"He's certainly planted the seed in people's minds. They're coming in," Sassler said.

Armstrong's comeback from advanced testicular cancer capped by victory in France as an American on an American b ke and an American team has the U.S. bicycle industry hoping for a needed boost.

"There is no question in my mind that Lance is the best thing to happen to bikes and fitness and hope and the Postal Service since sliced bread," said Richard Olken, executive director of the B kes Belong Coalition.

U.S. bike shops and other retail outlets have seen sales of bikes, parts and related accessories grow from $3.6 billion in 1990 to $5.2 billion in 1995 and '96, the latest figures available from the Bicycle Market Research Institute.

But bicycling's popularity has sagged in recent years, dropping three notches in three years to sixth place on the National Sporting Goods Association's annual sports participation survey.

Some industry watchers figure the American public has become saturated with mountain b kes and expect Lance-mania will add to the already growing popularity of traditional road b kes with their dropped bars and skinny tires.

"I am really excited to see how Armstrong rekindles this," said Jay Townley of the Bicycle Council, an industry promotional group.

In 1986, Greg LeMond became the first American to win professional cycling's grande boucle. The following year, bike sales rose 2.4 percent, according to figures from the National Bicycle Dealers Association. LeMond went on to win the race two more times and, each time, b ke sales picked up. After his 1989 win, bike sales rose less than 1 percent, but after LeMond's 1990 victory, sales rose a whopping 9.9 percent.

However, to say victory in France automatically translates into higher bike sales in the United States would be misleading, said Steve Fotheringham, a senior editor at Bicycle Retailer and Industry News.

While LeMond was winning Le Tour, the American public was discovering the mountain b ke.

Frothingham does not expect Armstrong's impressive ride across France to sweep new bike buyers into the front doors of shops across the United States. Similar hopes had been pinned on the last Olympics, held in Atlanta in 1996, only to be dashed with flat sales, he said.

"I think anyone who hears Lance's story has got to come away with a positive feeling about bicycles in general," Frothingham said. "Do people see Lance winning and say, `Let me ride my mountain b ke to the 7-Eleven?' Maybe."

Americans have bought more than 10 million b kes a year for the last decade, with 11.1 million units sold last year, NBDA figures show. However, high-end road racing bicycles like those used by Armstrong and LeMond account for a tiny percentage of total sales - just 77,000 units annually.

If custom bikes from specialty manufacturers - l ke Somerville's Independent Fabrications, Watertown's Sevens Cycles and Merlin Metalworks in Cambridge - are taken into account, the road racing sales total reaches the 150,000 mark but still reflects just a highly specialized niche market.

But unlike LeMond and most other European cycling stars, Armstrong's appeal transcends the racing crowd, Townley said.

"The Europeans never had an impact on the market here except for the very small enthusiast market. LeMond had a little more impact," Townley said. "I don't want to diminish LeMond one bit. For what he did when he did it, it was incredible and will stand the test of time as a phenomenal athletic accomplishment.

"But the time is now for Armstrong," Townley continued. "Here is a guy who came back from the real edge. Americans relate to that."

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Abstract (Document Summary)

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The Seattle Times

Sunday, August 17, 2008 - Page updated at 12:00 AM

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A bicycle built for ... really big wheeler-dealers

By Boaz Herzog
Newhouse News Service

PORTLAND, Ore. — The new status symbol for ardent pedal-pushers: a five-figure ride.

Just ask some well-to-do cycling aficionados.

"It's like buying an expensive sports car," lawyer George Schreck said of his $10,000-plus handmade Calfee Dragonfly road racer. "You don't need it. ... It's a toy."

A very pricey toy that Schreck conceded doesn't improve his racing results. But hey, it sure looks good.

Schreck is among a growing legion of cycling enthusiasts shelling out top dollar for the latest in two-wheeled eye candy. Price ceilings have risen in recent years with the introduction of ever-more lightweight, sophisticated and aesthetically pleasing cycling components. In turn, many of the high-end bikes have become collector's items, objects more to lust over than to use for any practical purpose.

River City Bicycles co-owner Mark Ontiveros referred to such creations as "rideable art."

ROB FINCH / LC-
Features such as carbon-fiber components, aerodynamic wheels and pristine paint jobs drive up the price of high-end racing bikes.

ROB FINCH / LC-
The Colnago for Ferrari, the high end of high-end racing bicycles, sells for $15,000.

"When we go down to our basements or our garages, it makes us as happy as some of the finest art in the world," Ontiveros said. "It's just beauty. And that's why they sell."

The latest masterpiece on display at the River City shop in southeast Portland: a limited-edition, sports-car-inspired Colnago for Ferrari. Production of the red-and-black road racer, hand built in Italy, was limited to 60. The price: $15,000.

"Some people would call it hard to justify," David Guettler, River City's other owner, said of the expense. "But as a bike nut, I don't find it hard to justify at all."

Um ... no thanks

Never mind that a perfectly fine, solid racing bicycle — minus the Colnago brand name etched on its downtube — can be had for one-fifth the price, Guettler said.

Not much about the Colnago for Ferrari could be called affordable. The wheels alone sell for $4,000. The pedals: $200 to $300. Maybe, Guettler said, you could get one of the wheel spokes for a couple of bucks.

Avid racers, unless they're subsidized by sponsors, generally eschew such high-priced bikes.

"It'd be a waste," said Brad Ross, an Oregon Bicycle Racing Association board member. "You might as well get a bike that just performs really well, isn't super fancy and gets the job done. Because you're going to keep it for a year ... then throw it away and get a new one."

And a higher price doesn't necessarily translate into faster race times, Guettler said.

"You would be splitting hairs between a bicycle that cost this much and one that cost half as much," he said of the Colnago for Ferrari's sticker price.

The Colnago, Guettler said, "is for someone who appreciates the aesthetics of bicycles and takes a lot of pride in what they're riding."

An uphill climb

It seems there are a few of those around. River City rings up one to two bicycles a month in the $10,000-and-up price range. It's not uncommon at other area shops, either.

"Ten years ago, $3,000 was a lot of money," said Demetri Macrigeanis, owner of Veloce Bicycles.

Now, Macrigeanis said, high-quality, high-end racing bikes start at $3,000. The majority of bicycle makers these days offer products with five-figure price tags, he said. His shop doesn't rely on sales of such bikes, which have included a $12,900 custom-made Independent Fabrication XS — "as in way too much," Macrigeanis said of the model name's last two letters.

His average sales price is closer to $2,000 but rising, thanks to the handful of $10,000-plus sales sprinkled in each year.

With the dollar continuing to weaken against currencies in Europe and Asia, where most bicycles are manufactured, Macrigeanis said he predicts top-tier prices will continue to creep higher.

Keeping up with Lance

Blame seven-time Tour de France winner Lance Armstrong for the high-priced bike movement. As Armstrong's victories piled up from 1999 to 2005, so did demand from affluent cycling enthusiasts determined to buy replicas of his tour-winning machine, or something comparable, no matter the price.

In addition to boosting the sport's overall popularity, one of the most enduring of the so-called Lance effects "was to get the people who already rode a high-priced bike to buy a higher-priced bike," said Jay Townley, a partner in a Wisconsin-based marketing and research firm who studies cycling trends.

Hence, the proliferation in recent years of custom-bike builders, perhaps as many as 190 worldwide, Townley said, that cater to the cycling market's upper crust.

"The people driving this high-end business aren't your typical bike commuter," Townley said. "They aren't helping the environment or saving money by buying these high-priced bikes. They're doing it because it's a fashion statement for them within their circle of friends and acquaintances who happen to be other bikeys."

A bike vice

Schreck, the Portland attorney, described bike buying as his one "big vice." A month ago, he added an Italian-made Wilier time-trial bicycle to his collection, which now numbers 16. The frame alone was $4,500. Fully built, the price nearly doubled.

Schreck said he's eyed the $15,000 Colnago but is reluctant to take it out for a test ride.

"It is a beautiful bike," he said. "But there are certain things you don't want to get on because you're afraid you'll like it too much and want to buy it."

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Would you spend $14,000 for this bike?

The Boston Globe

Techies drive up demand for custom models

By Douglas Belkin, Globe Staff | April 23, 2006

Five years ago, back in the Stone Age as far as bicycling is concerned, Anthony Laskaris was thrilled when he sold a bike for $2,000. It was a cause for celebration.

Back then, the really fancy bikes were made of aluminum, the most expensive set of wheels on the market might approach $800, and a $2,000 sale was proof that big money, top-of-the-line bikes had a place on the suburban side streets of America.

That was then. Today, when Laskaris hears the cash register ring up a $2,000 sale, he doesn't even raise an eyebrow.

"That will buy a good intermediate bike for a recreational rider," said Laskaris, who has been in the bike business for 22 years and is now vice president of the Cycle Loft in Burlington. "Now we start to get excited if something sells for $5,000. At that point, you're talking about a pretty nice bicycle."

Call it bike inflation, and if you haven't been in a bike store for a few years, steel yourself for some serious sticker shock. A $7,000 road bike is no longer an anomaly; $10,000 editions are popping up at recreational weekend rides around Greater Boston, and area custom builders are taking orders for road bikes that are creeping toward $15,000.

Where will it end? Dealers say the first $20,000 road bike is coming soon to a Daddy Warbucks near you.

"The first time I saw a $10,000 bike was a few years ago," said Stephen Madden, the editor of Bicycling magazine, which is based in Pennsylvania. "It kind of blew my mind, but now it's really pretty easy to spend $8,000 on a bike. I know that sounds kind of crazy, but there are plenty out there."

There's a slew of factors contributing to this climb. Lighter, stronger aerospace materials available to bike makers get better -- and more expensive -- every year.

The Lance effect -- Lance Armstrong's seven consecutive Tour de France victories -- pushed cycling into the mainstream and gave it a whole new status. And the number of aging boomers with bad knees who have hung up their running shoes just as they hit their peak earning years has injected a critical mass of wealth and popularity never before seen in American cycling.

Around Greater Boston, with its concentration of successful, white, male techies -- who are at the core of this trend, according to market analysts -- the proliferation of high-tech bikes is unusually broad. One result: A nucleus of custom builders and frame makers has made this area a mecca for the production of the best bikes in the world.

The economics of a $10,000 bike look like this: A high-end custom-built frame runs $5,000 to $6,000. The forks -- the arms that connect the handlebars to the wheels -- cost $600. Carbon-fiber wheels can run $3,000, and components -- the derailleur, handlebars, pedals, and seat -- another $2,000 to $3,000. Then toss in a $2,000 custom paint job.

This trend has been building for a decade but it began a steep ascent three or four years ago as demand at the upper echelon grew. Every season the high end jacks up a little higher, the bikes get a little lighter and the bragging rights a thousand dollars more expensive.

"A generation ago these guys were playing golf, but who wants to play golf?" Madden said. "So instead of spending all their money on Big Bertha or some fancy driver, they're putting all this money in their bikes so they can show up on their Saturday-morning ride and one venture capitalist can pull up to an investment banker and ask him what he's riding. . . . It's another way for these guys to compete."

Armstrong's seven Tour de France victories between 1999 and 2005 added jet fuel to the bike boom. In 2000 there were 145,000 high-end road bikes -- averaging about $1,100 -- sold across the country, they made up just 4 percent of the total number of bikes sold and accounted for 11 percent of the retail dollars spent, according to Jay Townley, a bicycle market analyst in Wisconsin.

Last year, when Armstrong won his seventh tour title and became a genuine American icon, the number of these road bikes sold jumped to 498,000, accounting for nearly 16 percent of the market share and 40 percent of the retail dollars.

And those numbers do not reflect the highest end of the business -- the bikes that go for more than $4,000. Townley estimates that market has climbed from about 20,000 to 90,000 over the same time.

Riding that wave are boutique outfits like Independent Fabrications, a custom builder in Somerville that sells about 900 frames a year. Each is built to order, from the length of the tubes to the angles at which they're set. The company's top line, the XS, sells for $5,500. A custom paint job -- done onsite -- can run another $2,500, said Matthew Bracken, the company's president.

"It's like anything, people want more customization, more specialization," said Bracken. "Americans work hard, they want to play hard, they want to pamper themselves, so when they're out there riding they know they're on the best bike they can ride."

Five years ago, to spend more than $5,000 you had to head to a custom builder like IF. But as that boutique market share -- and its higher profit margins -- have grown, big companies have introduced their own exotic lines. Now mass producers like Trek offer a series priced between $5,000 to $8,000.

That competition is pushing the boutiques to sharpen the proverbial knife even more, making their custom fit bikes better, lighter and more comfortable -- and more expensive, said Jennifer Miller, marketing director for Seven, a Watertown custom builder.

Seven sold about 2,700 bikes last year, most in the $7,000-$8,000 range with the most expensive topping out at $14,000.

"There is a certain prestige in having the most expensive bike out there. The market keeps demanding it," she said.

So, just what are you buying for that kind of money? Most obviously, weight -- or lack of it. As bike frames have evolved from steel to titanium to aluminum to carbon fiber, they've gotten lighter, stronger, more responsive and more comfortable. In five years, the best bikes have dropped from 18 to 15 pounds.

A set of wheels, which up until a few years ago maxed out around $800, are now regularly selling for $3,000 as they have moved from steel to carbon fiber. A company in Germany has even begun selling a $5,000 set.

One bike recently sold at the Cycle Loft was a 16-pound, 30-gear, carbon-fiber and titanium Serotta Ottrott for $8,500 (the same bike Senator John Kerry owns several versions of). To enthusiasts, it's like a Ferrari.

Part of the appeal is that these are the bikes the pros ride. "You can't go out and buy Jeff Gordon's car but you can go out and buy Lance Armstrong's bike," said Madden. "People like to be able say they're buying the best."

And then again, some people don't.

"I think it can get a little ridiculous," said Jack Donohue, who is on the board of the Charles River Wheelmen, a local cycling group. "For me, its gone way beyond the point of diminishing returns."

For two decades, Donohue has made his 24-mile round trip commute by bicycle year-round from Bedford to Westford.

He logs close to 10,000 miles a year and has built most of his bikes himself out of used parts. He is, in short, a biker's biker, 58 years old with legs of steel.

"It's not the bike," he said of his endurance. "It's the rider."

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